

# Opinion

**COM(2016)788 Final**

**Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EC) No 1059/2003 as regards the territorial typologies (TERCET)**

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## **PART I – INTRODUCTION**

In accordance with Article 7 of Law No 43/2006 of 25 August 2006 on monitoring, assessment and pronouncement by the Assembly of the Republic within the scope of the process of constructing the European Union, as amended by Law No 21/2012 of 17 May 2012, and in accordance with the Guidelines for the scrutiny of EU initiatives approved on 1 March 2016, the **Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1059/2003 as regards the territorial typologies (TERCET)** was referred to the European Affairs Committee for examination and opinion.

Given its subject matter, the proposal was referred to the Committee on the Environment, Territorial Planning, Decentralisation, Local Government and Housing, which decided not to issue a report. No technical note has therefore been drafted on the proposal.

## **PART II - RECITALS**

The proposal aims to update Regulation (EC) No 1059/2003 on the establishment of a common classification of territorial units for statistics (NUTS). Over time, Eurostat has published European statistics in many statistical domains at regional level, and has expanded the range of statistics published on a number of territorial typologies which, while not specified in the Regulation, meet policymakers' needs in addressing new realities.

Thus, the NUTS Regulation does not yet include or legally define these territorial typologies to determine urban, coastal and/or other areas and regions in the European Union, although they are already being used in practice.

The main policy objectives of the initiative are the following.

- 1. Establish a legal recognition of territorial typologies, including the definition of cities, for the purpose of European statistics*

The initiative will cover the existing territorial typologies based on NUTS level 3, the local administrative units and the 1 km<sup>2</sup> grid level required to calculate the other typologies, which are based on population distribution and density in the grid cells. It will thus enable the new recognised typologies to be better used in statistical processing and policymaking.

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*2. Lay down the core definitions and statistical criteria for the different territorial typologies*

To create methodological transparency and to safeguard the stability of the typologies over time, the definitions and criteria need to be specified in the Regulation. For this purpose, the initiative will use the already existing methodologies for the different typologies.

*3. Ensure harmonised and transparent application and use of the territorial typologies at EU level and in Member States*

This harmonisation aims to improve the comparability and stability of the typologies, having a positive impact on the compilation and dissemination of European regional statistics

*4. Supplementing powers currently conferred on the Commission*

Pursuant to the Lisbon Treaty, the regulation aims to supplement the powers it confers on the Commission, specifically to adopt acts designed to amend non-essential elements of the regulation by supplementing it, in accordance with the regulatory procedure with scrutiny, giving it powers to adopt delegated acts.

In this way, the initiative will make it possible to aggregate data by clear typologies, making it possible, for example, to compare GDP in rural as opposed to urban areas, tourist nights spent in coastal as opposed to non-coastal areas and regions and much more.

The territorial typologies also have a major impact on regional policies under the overarching objectives of the Europe 2020 initiative. Thus, when discussing cohesion policies aimed at reducing territorial inequalities, accurate, comparable statistical data will make for analysis and decision-making that better reflects the reality of every region.

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In the light of the provisions contained in this proposal, the following must be considered:

**a) *Legal basis***

Article 338 of the Treaty on the Functioning of the European Union (TFEU) provides the legal basis for European statistics. Acting in accordance with the ordinary legislative procedure, the European Parliament and the Council adopt measures for the production of statistics where this is necessary for the European Union to carry out its role.

**b) *The principle of subsidiarity and proportionality***

The subsidiarity principle applies insofar as the proposal does not fall under the exclusive competence of the EU. However, Member States acting independently cannot sufficiently achieve the objectives of the proposed action, namely introducing the necessary components with regard to territorial typologies. Thus, action can be taken more efficiently at EU level, on the basis of an EU legal act, to establish, coordinate and maintain harmonised statistical classifications, including territorial typologies for statistical purposes at EU level.

In terms of the principle of proportionality, the initiative proposes to amend the current NUTS Regulation no more than absolutely necessary for formal recognition of territorial typologies for statistics and policy-making. Thus, the proposal aims to amend the NUTS Regulation to incorporate the territorial typologies into the legal framework without modifying the fundamental principles or the structure and definitions of the NUTS regions.

The principle of proportionality is thus upheld, given that only by amending the Regulation will it be possible legally to recognise territorial typologies which are accepted and used in practice.

**c) *Stakeholder consultations***

The stakeholders this proposal affects are the Member States' national statistical institutes. The Commission (Eurostat) involved their experts since the very early stages and very much relied on their feedback and expertise in drafting the proposal.

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The Commission's Directorate-General for Regional and Urban Policy (DG REGIO) was also consulted, as the main policy user of regional data. The OECD, Eurostat and the Joint Research Centre were also consulted and provided input.

**d) *Impact assessment* and *budgetary implications***

No impact assessment was carried out because the proposal does not have economic, social or environmental consequences and imposes no additional burden on businesses or citizens. The proposal does not have any budgetary implications either.

**e) *Content of the initiative***

The proposal amends, deletes or clarifies certain articles of Regulation (EC) No 1059/2003.

- The new article 1 broadens the subject of the NUTS Regulation by adding the territorial typologies and the statistical grids needed.
- In Article 2, paragraph 5 is deleted because it refers to a communication that was due in 2005 and is therefore obsolete.
- In Article 3, paragraph 4 is adapted to the new institutional procedures introduced by the Lisbon Treaty; accordingly, in paragraph 5, the last sentence is deleted.
- Article 4 sets out the local administrative units (LAU). Article 4a is inserted to introduce the statistical grids that the Commission (Eurostat) will maintain and publish; the new Article 4b introduces the typologies themselves.
- In the new Article 5 the Commission is given the power to adopt delegated acts to adapt the NUTS classification in Annex I to the NUTS Regulation.
- Article 7 is updated, while the new Article 7a concerns the exercise of delegation in accordance with the Interinstitutional Agreement on Better Law-Making.
- Article 8 is deleted because it stipulated a report that was due in 2006, and is therefore obsolete.

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### **PART III - RAPPORTEUR'S OPINION**

The rapporteur has not expressed her opinion, as is possible under Article 137(3) of the Rules of Procedure of the Assembly of the Republic.

### **PART FOUR – CONCLUSIONS**

The objective of this proposal is to amend Regulation (EC) No 1059/2003 so as to update the territorial typologies used for statistical purposes by Eurostat, the OECD and the Member States. It is concluded that the need for updating follows on from the fact that the new typologies are already being used in practice. Formally, however, for monitoring purposes and for the transparency of statistics, it is necessary to include them in the Regulation.

The update takes account of the opinions of the national statistical institutes, the OECD and the Commission's Directorate-General for Regional and Urban Policy (DG REGIO).

**ASSEMBLY OF THE REPUBLIC**  
**EUROPEAN AFFAIRS COMMITTEE**

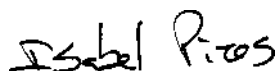
**PART V – OPINION**

In the light of the information set out above the European Affairs Committee is of the opinion that:

1. This initiative upholds the principle of proportionality, insofar as the objective will be achieved more effectively by means of action at European Union level. It is concluded that the principle of subsidiarity is also upheld because the stakeholders have been consulted, the Regulation may only be amended by the EU and the typologies need to be harmonised in order not to cause distortions in the statistics used as the basis for decision-making .
2. This concludes the scrutiny of this initiative.

Palácio de S. Bento, 30 January 2017

**Rapporteur**



**(Isabel Pires)**

**Chair of the Committee**



**(Regina Bastos)**